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Post: Taipei ATO

Emerging Opportunities for an Aging Population

Report Categories:

Market Development Reports

Promotion Opportunities

Fresh Fruit and Vegetables

Tree Nuts

Dried Fruit

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Report Highlights:

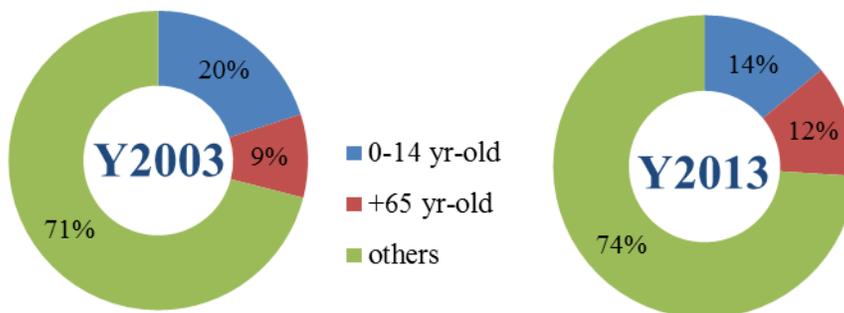
Over the past year, ATO Taipei has received an increase in requests for organic/natural U.S. products (e.g., no preservatives, low in sodium, sugar, etc.). The driving force behind these requests is an older and significantly larger population, compared to other age groups, that is pushing for healthier food options. The push for more organic/natural products bodes well for U.S. exports of fresh/dried fruits, vegetables, grains, cereals, vegetable oils, tree nuts, fishery products, and organic foods. In 2013, the United States exported US\$418 million in organic/natural products to Taiwan, with a compound annual growth rate of 9% over the past five years.

Summary

Over the past year, ATO Taipei has received an increase in requests for organic/natural U.S. products (e.g., no preservatives, low in sodium, sugar, etc.). The driving force behind these requests is an older and significantly larger population, compared to other age groups, that is pushing for healthier food options. This also correlates with a recent survey by Taiwan's Almanac of Food Consumption that stated those in the 60-70 age group pay more attention to certification seals. Food products with smaller portions and a softer texture are also perceived to be more popular among this group. The push for more organic/natural products bodes well for U.S. exports of fresh/dried fruits, vegetables, grains, cereals, vegetable oils, tree nuts, fishery products, whey protein, and organic foods. In 2013, the United States exported US\$418 million in organic/natural¹ products to Taiwan, with a compound annual growth rate of 9% over the past five years.

Demographic Structural Change

Between 2003 and 2013, Taiwan's population 65 – and above – increased 29%, while those aged 14 and below declined 25%². (Taiwan defines the elderly as 65 and above.) Based on a survey by Taiwan's Department of Health, 88% of Taiwan's elderly suffer at least one chronic illness. The top three most common illnesses are cataract, heart problems, and hyperlipidemia.

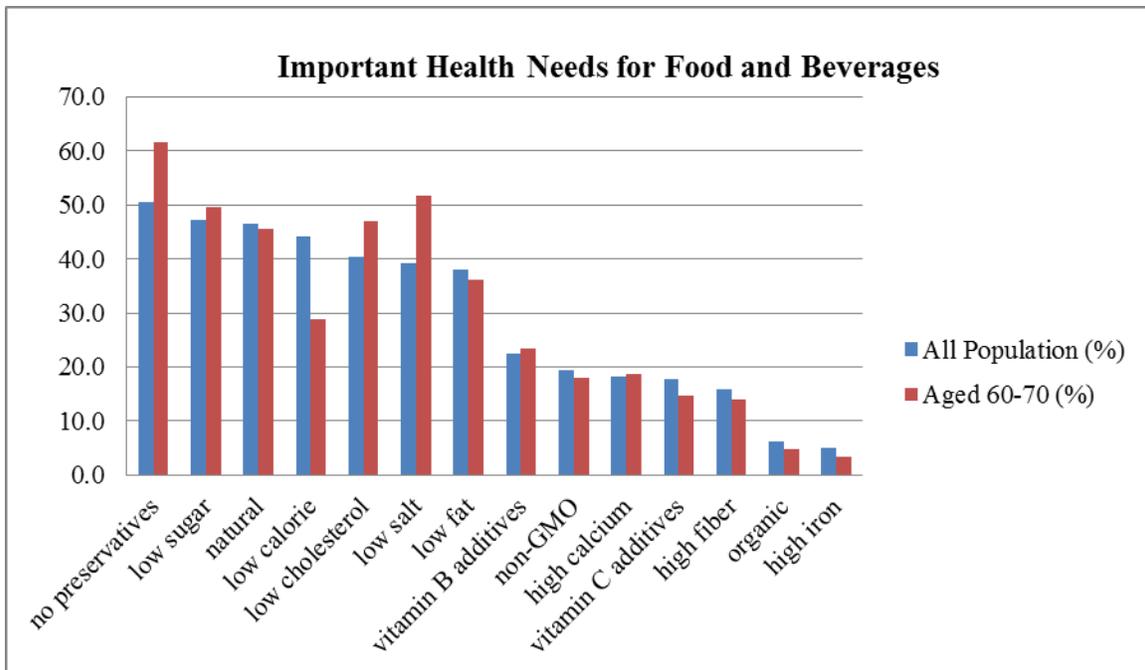


Food Consumption Needs

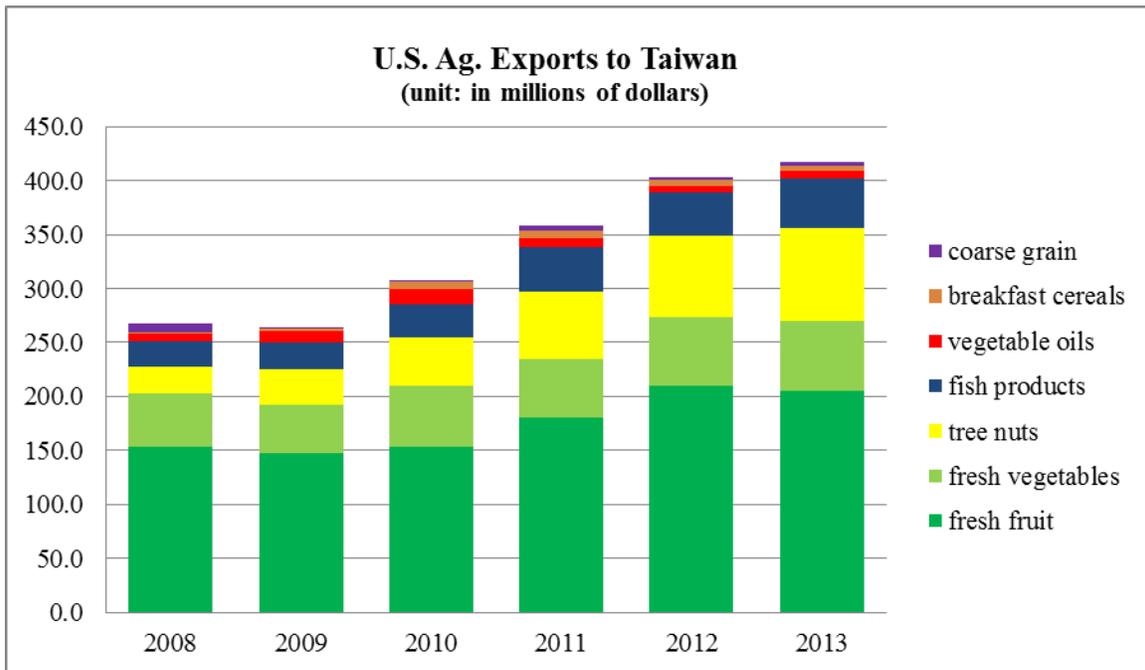
According to the Almanac of Food Consumption Survey, in Taiwan individuals in the age group 60-70 (the most elderly group in the survey) are more price-sensitive, less brand-conscious, and pay more attention to certification seals and the authorities' endorsement on products. Their top five important health needs for food and beverages are: no preservatives, low salt, low sugar, low cholesterol, and natural (Table 1). They prefer smaller portions and a softer texture, which helps them chew easier, and they also appreciate smaller packaging instead of jumbo or family-sized packaging. ATO Taipei believes the United States is in a great position to export more fresh/dried fruits, vegetables, grains, cereals, vegetable oils, tree nuts, fishery products, and organic foods.

¹ The products include fresh/dried fruits, vegetables, grains, cereals, vegetable oils, tree nuts, fishery products, and organic foods.

² Source: Taiwan's Ministry of Interior



(Source: Almanac of Food Consumption Survey in Taiwan 2013, Food Industry Research and Development Institute)



(Source: U.S. Census Bureau Trade Data)

Preferences for Types of Processed Foods

Healthy nutritional products (vitamins), edible oils and canned foods, are by far the top three preferred processed foods when compared to other age groups (Table 2). Such a high preference for edible oils can be attributed to the elderly's recognition that olive oils are considered healthier. Meanwhile, the

preference for canned foods reflects the in-home dining habits. According to various statistics, 93% of Taiwan’s older population uses canned food items for breakfast every morning, which are commonly served as side dishes for the traditional Taiwanese breakfast (porridge). The most popular canned food item in Taiwan is gluten, which is a substitute for meat in many Asian dining cultures. Other popular canned foods include preserved pickles, corn and fish.

Recommendations for U.S. Exporters

Go Beyond Organic

The structural change of Taiwan’s demographic age group bodes well for organic imports. This growing population perceives organic products to be recognized and certified by authorities, and therefore they are more willing to pay a premium for the product. On average, they will pay 150% more for organic products than conventional products. The majority of Taiwan consumers tend to associate organic foods with food safety and sustainable farming practices. According to various sources, some prefer them because of their Buddhist beliefs.

Taiwan’s imported organic market is booming from a small base (double-digit growth over the past three consecutive years) to an average of nearly US\$21 million³ per year. Assuming the imports hold 70% of organic food sales in Taiwan, the market size for organic products is estimated to reach US\$30 million in 2014.

Organic versus Natural

A growing number of importers claim their product is “natural” instead of organic due to Taiwan’s strict organic policy, which only allows products to claim it is organic if it contains at least 95% organic ingredients (GAIN Report [TW9007](#)). These stringent regulations result in more “natural” types of products instead of organic products. Even though the price for “natural” products is higher than other products, it is still slightly less than an organic-labelled product.

(Source: Post’s field survey)

| Organic Retail Chain | Number of Stores | % of Organic Products |
|---------------------------|------------------|-----------------------|
| Uni-President Santa Cruz | 103 | 30% |
| Leezen | 96 | 30% |
| Yogi House | 70 | 30% |
| Cotton Land Health Stores | 44 | 40% |
| Orange Market | 15 | 30% |
| Lafe | 2 | 40% |
| FreshOne | 1 | 50% |

Focus on Healthy

Other than organic products, products featuring healthy benefits are forecast to continue growing in Taiwan. U.S. tree nuts are a successful example. Whenever domestic manufacturers of tree nuts market their products, they always tie in the message of “eating tree nuts every day is good for your health.”

³ Source: Taiwan Customs

Such a consistent marketing approach has led to a rising demand for tree nuts over the past five years. As the biggest foreign supplier of tree nuts, the United States grew the most during this period, up 17%. The exports of U.S. tree nuts to Taiwan in 2013 hit a record-high, amounting to US\$87 million⁴.

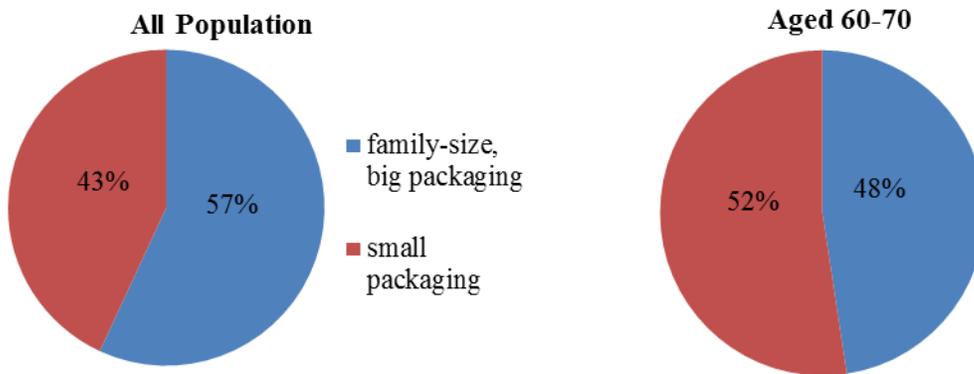
In the food processing sector, Taiwan’s older population prefer popular recipe ideas that focus on using more whole grains, lower contents in sugar and oil, and naturally developed yeast. According to the U.S. Grains Council, Taiwan consumers are cautious about what they eat, and they are using more U.S. high β -Glucan barley. One local food conglomerate even developed ready-to-eat barley-rice products, and recently received approval to use the healthy certificate seal from Taiwan’s Ministry of Health and Welfare (MOHW).

Smaller is Better

Recent trends show Taiwan’s older population also prefer food and beverages in smaller packages, which implies to them that the product is fresher and healthier. One of the examples is the growing demand for smaller-packaged flour. The demand is attributed to a fad of homemade bread due to a recent food safety scare from a popular bakery. According to the survey, the elderly also prefer oil products that are less than 2 liters in volume. Since most of these consumers also have difficulty chewing, products with a softer texture or bite size are more popular.

Product Packaging of Most Consumed Food and Beverages over Past Year

(Source: Almanac of Food Consumption Survey in Taiwan, Food Industry Research and Development Institute)



Contact Information of USDA’s Foreign Agricultural Service Office in Taiwan

- For Trade Policy/Market Access and General Agricultural Issues, please contact the Agricultural Affairs section via email at: agtaipei@fas.usda.gov.
- For Market Development Assistance, please contact the Agricultural Trade Office via email at: atotaipei@fas.usda.gov.

Table 1: The Most Important Health Needs for Food and Beverages

⁴ Source: U.S. Census Bureau Trade Data

| Needs | Total (%) | 60-70 (%) | Index (60-70 vs. Total) |
|---------------------|------------------|------------------|------------------------------------|
| no preservatives | 50.6 | 61.7 | 122 |
| low sugar | 47.2 | 49.7 | 105 |
| natural | 46.5 | 45.6 | 98 |
| low calorie | 44.2 | 28.9 | 65 |
| low cholesterol | 40.3 | 47.0 | 117 |
| low salt | 39.2 | 51.7 | 132 |
| low fat | 38.0 | 36.2 | 95 |
| vitamin B additives | 22.5 | 23.5 | 104 |
| non-GMO | 19.5 | 18.1 | 93 |
| high calcium | 18.3 | 18.8 | 103 |
| vitamin C additives | 17.7 | 14.8 | 84 |
| high fiber | 15.8 | 14.1 | 89 |
| organic | 6.3 | 4.7 | 75 |
| high iron | 5.0 | 3.4 | 68 |

Source: Almanac of Food Consumption Survey in Taiwan 2013, Food Industry Research and Development Institute

Table 2: Preference for Types of Processed Foods

| Processed Product Type | Total | 60-70 | Index (60-70 vs. Total) |
|-------------------------------|--------------|--------------|------------------------------------|
| baked and snacks | 81.8 | 69.8 | 85 |
| noodles | 79.5 | 75.8 | 95 |
| seasoning | 78.8 | 75.8 | 96 |
| tea | 78.1 | 54.4 | 70 |
| non-alcohol beverages | 77.6 | 57.0 | 73 |
| dairy products | 77.4 | 68.5 | 89 |
| edible oil | 70.2 | 79.2 | 113 |
| processed rice foods | 65.9 | 57.0 | 86 |
| iced products | 62.3 | 28.2 | 45 |
| fruit, vegetable juice | 58.7 | 42.3 | 72 |
| powdered drinks | 55.8 | 58.4 | 105 |
| frozen foods | 55.9 | 49.0 | 88 |
| canned foods | 55.2 | 59.7 | 108 |
| grain milk | 54.6 | 42.3 | 77 |
| candy | 48.0 | 24.2 | 50 |
| health nutritional products | 43.0 | 49.7 | 116 |
| alcohol beverages | 36.8 | 32.9 | 89 |

Source: Almanac of Food Consumption Survey in Taiwan 2013, Food Industry Research and Development Institute